

STATE OF SOUTH CAROLINA

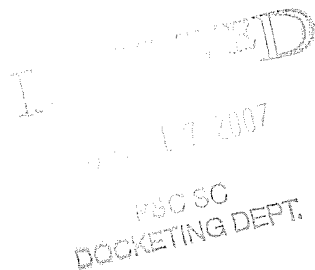
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BEFORE THE  
PUBLIC SERVICE COMMISSION  
OF SOUTH CAROLINA

COVER SHEET

DOCKET

NUMBER: 2007-455-I

(Please type or print)

Submitted by: GENESIS EXECUTIVE TRAVEL

SC Bar Number: \_\_\_\_\_

Address: 1627 MARSH HARBOR LANE

Telephone: 843-367-1730

MOUNT PLEASANT

Fax: \_\_\_\_\_

SC 29464

Other: \_\_\_\_\_

Email: mikeshepard1999@yahoo.com

NOTE: The cover sheet and information contained herein neither replaces nor supplements the filing and service of pleadings or other papers as required by law. This form is required for use by the Public Service Commission of South Carolina for the purpose of docketing and must be filled out completely.

DOCKETING INFORMATION (Check all that apply)

☐ Emergency Relief demanded in petition ☒ Request for item to be placed on Commission's Agenda expeditiously

☐ Other: \_\_\_\_\_

INDUSTRY (Check one)	NATURE OF ACTION (Check all that apply)			
<input type="checkbox"/> Electric	<input type="checkbox"/> Affidavit	<input type="checkbox"/> Letter	<input type="checkbox"/> Request	
<input type="checkbox"/> Electric/Gas	<input type="checkbox"/> Agreement	<input type="checkbox"/> Memorandum	<input checked="" type="checkbox"/> Request for Certification	
<input type="checkbox"/> Electric/Telecommunications	<input type="checkbox"/> Answer	<input type="checkbox"/> Motion	<input type="checkbox"/> Request for Investigation	
<input type="checkbox"/> Electric/Water	<input type="checkbox"/> Appellate Review	<input type="checkbox"/> Objection	<input type="checkbox"/> Resale Agreement	
<input type="checkbox"/> Electric/Water/Telecom.	<input type="checkbox"/> Application	<input type="checkbox"/> Petition	<input type="checkbox"/> Resale Amendment	
<input type="checkbox"/> Electric/Water/Sewer	<input type="checkbox"/> Brief	<input type="checkbox"/> Petition for Reconsideration	<input type="checkbox"/> Reservation Letter	
<input type="checkbox"/> Gas	<input type="checkbox"/> Certificate	<input type="checkbox"/> Petition for Rulemaking	<input type="checkbox"/> Response	
<input type="checkbox"/> Railroad	<input type="checkbox"/> Comments	<input type="checkbox"/> Petition for Rule to Show Cause	<input type="checkbox"/> Response to Discovery	
<input type="checkbox"/> Sewer	<input type="checkbox"/> Complaint	<input type="checkbox"/> Petition to Intervene	<input type="checkbox"/> Return to Petition	
<input type="checkbox"/> Telecommunications	<input type="checkbox"/> Consent Order	<input type="checkbox"/> Petition to Intervene Out of Time	<input type="checkbox"/> Stipulation	
<input checked="" type="checkbox"/> Transportation	<input type="checkbox"/> Discovery	<input type="checkbox"/> Prefiled Testimony	<input type="checkbox"/> Subpoena	
<input type="checkbox"/> Water	<input type="checkbox"/> Exhibit	<input type="checkbox"/> Promotion	<input type="checkbox"/> Tariff	
<input type="checkbox"/> Water/Sewer	<input type="checkbox"/> Expedited Consideration	<input type="checkbox"/> Proposed Order	<input type="checkbox"/> Other:	
<input type="checkbox"/> Administrative Matter	<input type="checkbox"/> Interconnection Agreement	<input type="checkbox"/> Protest		
<input type="checkbox"/> Other:	<input type="checkbox"/> Interconnection Amendment	<input type="checkbox"/> Publisher's Affidavit		
	<input type="checkbox"/> Late-Filed Exhibit	<input type="checkbox"/> Report		

## PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

Attn: Docketing Department

101 Executive Center Drive

Columbia, SC 29210

(Mailing address: Post Office Box 11649, Columbia, SC 29211)

Office # (803) 896-5100 - Fax # (803)-896-5199

CLASS C - CHARTERDATE NOVEMBER, 2007**APPLICATION FOR CERTIFICATE OF PUBLIC CONVENIENCE AND  
NECESSITY FOR OPERATION OF MOTOR VEHICLE CARRIER**

Application is hereby made for a Certificate of Public Convenience and Necessity, in accordance with the provision of S.C. Code Ann., § 58-23-10, et seq. (1976), and amendments thereto.

1. Name under which business is to be conducted (corporation, partnership, or sole proprietorship, with or without trade name.)

GENESIS EXECUTIVE TRAVEL, LLC

2. (a) Street Address of Applicant 1627 MARSH HARBOR LANE

MOUNT PLEASANT, SC 29464

- (b) Mailing address, if different from street address \_\_\_\_\_

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PSC SC  
DOCKETING DEPT.

- (c) Telephone Number 843-367-1730

Fed ID # [REDACTED]

3. If incorporated, a copy of Articles of Incorporation must be attached. (If incorporated outside of S.C., need S.C. Secretary of State "Foreign Corporation" Certificate.)
4. (a) If a partnership, names and addresses of all persons having an interest in the business. (b) If a corporation, names and addresses of two principal officers will be sufficient.

MICHAEL R. SHEPARD 1627 MARSH HARBOR LANE MT. PLEASANT, SC 29464BETTYE J. SHEPARD 1551 BEN SAWYER BLVD. MT. PLEASANT, SC 29464

5. The proposed service to be provided and the proposed rates and charges for such service, per Exhibit "C" included herewith.
6. The proposed list of equipment is as per Exhibit "D" included herewith.

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7. Applicant is financially able to furnish the services as specified in this Application and submits the following statement of assets and liabilities.


**BALANCE SHEET**

Balance at Time Application is Filed:

Month: NOVEMBER Year: 2007

<b>Assets:</b>	
Cash	100,000
Receivables	0
Real Estate	0
Buildings and Equipment-Net	0
Motor Vehicles-Net	39,195
Garage Equipment-Net	0
Machinery and Tools-Net	0
Supplies on Hand	4,000
Prepays and Other Assets	0
<b>Total Assets</b>	<b>143,195</b>
<b>Liabilities and Equity:</b>	
Accounts Payable	0
Notes Payable	0
Mortgages Payable	0
Equipment Obligations	0
Accrued Salaries and Wages	40,000
Other Accrued Obligations	0
Other Liabilities	0
<b>Total Liabilities</b>	<b>0</b>
Capital Stock	0
Retained Earnings	0
<b>Total Equity</b>	<b>0</b>
<b>Total Liabilities and Equity</b>	<b>40,000</b>

8. Applicant is familiar with the provision of S.C. Code Ann., §58-23-10, et seq. (1976), and amendments thereto, and R.103-100 through R.103-241 of the Commission's Rules and Regulations for Motor Carriers (Vol.26, S.C. Code Ann., 1976), and R.38-400 through 38-503 of the Department of Public Safety's Rules and Regulations for Motor Carriers (Vol. 23A, S.C. Code Ann., 1976) and amendments thereto, and hereby promises compliance therewith.

I, , Manson  
(Name of Applicant's Representative) (Title)


of GENESIS EXECUTIVE TRAVEL, LLC. The Applicant for the Certificate of Public  
(Applicant)

Public Convenience and Necessity as set forth in the foregoing, swear or affirm that all statements contained in the above Application are true and correct.

**SWORN TO BEFORE ME**

At \_\_\_\_\_ ]

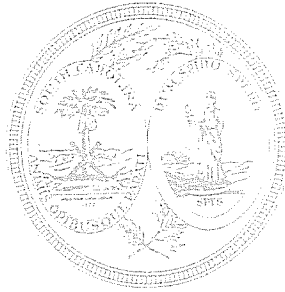
This the 07 day of Nov. 2007 ]

  
(Notary Public)

  
(Signature of Applicant's Representative)

Commission Expires: 02-07-2015

# *The State of South Carolina*



*Office of Secretary of State Mark Hammond*

## **Certificate of Existence**

**I, Mark Hammond, Secretary of State of South Carolina Hereby certify that:**

GENESIS EXECUTIVE TRAVEL, LLC, A Limited Liability Company duly organized under the laws of the State of South Carolina on October 16th, 2007, with a duration that is until December 31st, 2060, has as of this date filed all reports due this office, including its most recent annual report as required by section 33-44-211, paid all fees, taxes and penalties owed to the Secretary of State, that the Secretary of State has not mailed notice to the company that it is subject to being dissolved by administrative action pursuant to section 33-44-809 of the South Carolina Code, and that the company has not filed articles of termination as of the date hereof.

Given under my Hand and the Great  
Seal of the State of South Carolina this  
16th day of October, 2007.

A handwritten signature in cursive script that reads "Mark Hammond".  
Mark Hammond, Secretary of State

**THIS AGREEMENT IS SUBJECT TO ARBITRATION PURSUANT  
TO THE SOUTH CAROLINA UNIFORM ARBITRATION ACT  
OR THE FEDERAL ARBITRATION ACT, AS APPLICABLE**

**OPERATING AGREEMENT  
OF  
GENESIS EXECUTIVE TRAVEL, LLC**

THIS OPERATING AGREEMENT is entered into on this 11<sup>th</sup> day of December, 2007, by Michael R. Shepard and Bettye Jean Shepard (the "Members").

**ARTICLE I**

**THE COMPANY**

**1.1 Formation.** The Members hereby agree to form the Company as a manager-managed limited liability company pursuant to the provisions of the Act and upon the terms set forth in this Agreement. Simultaneously with the execution of this Agreement, each of the Members shall be admitted as a member of the Company. The rights and liabilities of the Members shall be as provided under the Articles, this Operating Agreement and the Act (to the extent not inconsistent with the Articles or this Operating Agreement).

**1.2 Name.** The name of the Company shall be "Genesis Executive Travel, LLC" and all business of the Company shall be conducted in such name or such other names that comply with applicable law as the Members may select from time to time.

**1.3 Purposes; Powers.** The purposes of the Company are to own, operate and manage real and personal property and to engage in any and all activities related or incidental thereto (the "Business"). The Company has the power to do any and all acts necessary, appropriate, proper, advisable, incidental or convenient to or in furtherance of the purposes of the Company.

**1.4 Principal Place of Business.** The principal place of business and the designated office of the Company shall be at 1627 Marsh Harbor Lane, Mt. Pleasant, South Carolina 29464. The Managers may change the principal place of business and, upon compliance with Act § 33-44-109, the location of the designated office.

**1.5 Term.** The term of the Company shall commence on the date the Articles of Organization of the Company (the "Articles") are filed in the office of the Secretary of State of South Carolina and shall continue until the winding up and liquidation of the Company and its business is completed following a Dissolution Event, as provided in Article X.

**1.6 Filings; Agent for Service of Process.**

(a) The Managers shall cause the Articles to be filed in the office of the Secretary of the State of South Carolina ("Secretary of State") in accordance with the Act.

(b) The registered agent for service of process on the Company in the State of South Carolina shall be Michael R. Shepard or any successor as appointed by the Managers in accordance with the Act.

(c) Upon the dissolution of the Company in accordance with Article X, the Managers shall promptly execute and cause to be filed Articles of Dissolution in accordance with the Act.

**1.7 Title to Property.** All Property owned by the Company shall be owned by the Company as an entity and no Member shall have any ownership interest in such Property in his individual name, and each Member's interest in the Company shall be personal property for all purposes. At all times after the Effective Date, the Company shall hold title to all of its Property in the name of the Company and not in the name of any Member.

**1.8 Payments of Individual Obligations.** The Company's credit and assets shall be used solely for the benefit of the Company, and no asset of the Company shall be Transferred or encumbered for, or in payment of, any individual obligation of any Member.

**1.9 Independent Activities.** Any Member may engage in the acquisition, ownership, operation and management of real or personal property, whether or not competitive with the Company, without any obligation to offer any interest in such activities to the Company or any other Member or to permit the Company or any other Member to participate in such activities.

**1.10 Definitions.** Capitalized words and phrases used in this Agreement have the following meanings:

"Act" means the South Carolina Limited Liability Company Act, Chapter 44 of Title 33 of the South Carolina Code of Laws, as amended from time to time (or any corresponding provisions of succeeding law).

"Adjusted Capital Account Deficit" means, with respect to any Member, the deficit balance, if any, in such Member's Capital Account as of the end of the relevant Fiscal Year, after giving effect to the following adjustments:

- (i) Credit to such Capital Account (A) any amounts that such Member is obligated to restore pursuant to any provision of this Agreement or pursuant to Regulation § 1.704-1(b)(2)(ii)(c) or (ii)(h) or any other pertinent provision of the Regulations; (B) the Member's share of Company Minimum Gain; and (C) the Member's share of Member Minimum Gain.

- (ii) Debit to such Capital Account the items described in Regulations §§ 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(6) and 1.704-1(b)(2)(ii)(d)(6).

The foregoing definition of Adjusted Capital Account Deficit is intended to comply with the provisions of Regulations § 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

"Agreement" means this Operating Agreement as amended from time to time.

"Articles" means the Articles of Organization filed with the Secretary of State pursuant to the Act to form the Company, as originally executed and amended, modified, supplemented or restated from time to time, as the context requires.

"Assignee" means a transferee of Units in the Company who has not been admitted as a substitute Member in the Company. An Assignee shall have only those rights set forth in Section 9.6.

"Capital Account" means, with respect to any Member, the Capital Account maintained for such Member in accordance with the following provisions:

- (i) To each Member's Capital Account there shall be credited (A) such Member's Capital Contributions, (B) such Member's distributive share of Profits and any items in the nature of income or gain that are specially allocated to such Member pursuant to Section 3.3 or Section 3.4, and (C) the amount of any Company liabilities assumed by such Member or which are secured by any Property distributed to such Member.
- (ii) To each Member's Capital Account there shall be debited (A) the amount of money and the Gross Asset Value of any Property distributed to such Member pursuant to any provision of this Agreement, (B) such Member's distributive share of Losses and any items in the nature of expenses or losses that are specially allocated to such Member pursuant to Section 3.3 or Section 3.4, and (C) the amount of any liabilities of such Member assumed by the Company or which are secured by any Property contributed by such Member to the Company; and
- (iii) In the event Units are Transferred in accordance with the terms of this Agreement, the transferee shall succeed to the Capital Account of the transferor to the extent it relates to the Transferred Units.

The foregoing provisions and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Regulations § 1.704-1(b) and shall be interpreted and applied in a manner consistent with such Regulations. The Members shall (i) make any adjustments that are necessary or appropriate to maintain equality between the Capital Accounts of the Members and the amount of capital reflected on the Company's balance sheet, as computed for book purposes, in accordance with Regulations § 1.704-1(b)(2)(iv)(q), and (ii) make any appropriate

modifications in the event unanticipated events might otherwise cause this Agreement not to comply with Regulations § 1.704-1(b).

"Capital Contributions" means, with respect to any Member, the amount of money and the initial Gross Asset Value of any Property (other than money) contributed to the Company with respect to the Units in the Company held or purchased by such Member.

"Code" means the United States Internal Revenue Code of 1986, as amended from time to time, and the corresponding provisions of any successor United States tax code.

"Company" means the limited liability company formed pursuant to this Agreement and the Articles and the limited liability company continuing the Business of the Company in the event of dissolution of the Company as herein provided.

"Company Minimum Gain" has the meaning ascribed to the term "partnership minimum gain" in Regulations §§ 1.704-2(b) and 1.704-2(d).

"Depreciation" means, for each Fiscal Year, an amount equal to the depreciation, amortization, or other cost recovery deduction allowable with respect to an asset for such Fiscal Year, except that if the Gross Asset Value of an asset differs from its adjusted basis for federal income tax purposes at the beginning of such Fiscal Year, Depreciation shall be an amount that bears the same ratio to such beginning Gross Asset Value as the federal income tax depreciation, amortization, or other cost recovery deduction for such Fiscal Year bears to such beginning adjusted tax basis; provided, however, that if the adjusted basis for federal income tax purposes of an asset at the beginning of such Fiscal Year is zero, Depreciation shall be determined with reference to such beginning Gross Asset Value using any reasonable method selected by the Managers.

"Effective Date" means the date hereof.

"Fiscal Year" means (i) the period commencing on the Effective Date and ending on December 31, 2007, (ii) any subsequent twelve month period commencing on January 1 and ending on December 31, and (iii) the period commencing on the immediately preceding January 1 and ending on the date on which all Property is distributed to the Members pursuant to Article X.

"GAAP" means generally accepted accounting principles in effect in the United States of America from time to time as set forth in statements from Auditing Standard No. 69 entitled "The Meaning of Present Fairly in Conformance with Generally Accepted Accounting Principles in the Independent Auditors' Reports" issued by the Auditing Standards Board of the American Institute of Certified Public Accountants and Statements and Pronouncements of the Financial Accounting Standards Board that are applicable to the circumstances as of the date of determination.

"Gross Asset Value" means with respect to any asset, the asset's adjusted basis for federal income tax purposes, except as follows:



- (i) The initial Gross Asset Value of any asset contributed by a Member to the Company shall be the gross fair market value of such asset, as determined by the Members provided that the initial Gross Asset Values of the assets contributed to the Company pursuant to Section 2.1 shall be as set forth in such section;
- (ii) The Gross Asset Values of all Company assets shall be adjusted to equal their respective gross fair market values (taking Code § 7701(g) into account), as of the following times: (A) the acquisition of additional Units in the Company by any new or existing Member in exchange for more than a de minimis Capital Contribution; (B) the distribution by the Company to a Member of more than a de minimis amount of Company property as consideration for Units in the Company; and (C) the liquidation of the Company within the meaning of Regulations § 1.704-1(b)(2)(ii)(g); provided that an adjustment described in clauses (A) and (B) of this paragraph shall be made only if the Members reasonably determine that such adjustment is necessary to reflect the relative economic interests of the Members in the Company;
- (iii) The Gross Asset Value of any Company asset distributed to any Member shall be adjusted to equal the gross fair market value (taking Code § 7701(g) into account) of such asset on the date of distribution as determined by the Members.

If the Gross Asset Value of an asset has been determined or adjusted pursuant to subparagraph (i) or (ii), such Gross Asset Value shall thereafter be adjusted by the Depreciation taken into account with respect to such asset, for purposes of computing Profits and Losses.

"Managers" means Michael R. Shepard, Bettye Jean Shepard or any Person designated pursuant to this Agreement as a successor Manager.

"Member" means any Person (i) who is referred to by name in the first paragraph of this Agreement or who has become a substituted Member pursuant to the terms of this Agreement, and (ii) who has not ceased to be a Member.

"Member Nonrecourse Debt" has the same meaning as the term "partner nonrecourse debt" in Regulations § 1.704-2(b)(4).

"Member Nonrecourse Debt Minimum Gain" means an amount, with respect to each Member Nonrecourse Debt, equal to the Company Minimum Gain that would result if such Member Nonrecourse Debt were treated as a Nonrecourse Liability, determined in accordance with Regulations § 1.704-2(i)(3).

"Member Nonrecourse Deductions" has the same meaning as the term "partner nonrecourse deductions" in Regulations §§ 1.704-2(i)(1) and 1.704-2(i)(2).

"Net Asset Value" as of a specific date means the excess of the fair market value of the assets of the Company on that date over the liabilities of the Company on that date.

"Net Cash Flow" means (on the cash receipts and disbursements basis of accounting) the net receipts (*i.e.*, the excess, if any, of revenues over expenses and repayment of loans) of the Company, (A) including cash from operations or investments; proceeds from the sale, exchange, or other disposition of Company assets; and excess cash from the refinancing of any mortgage debt of the Company; but (B) excluding Capital Contributions of the Members; proceeds of any loans made to the Company (except to the extent of excess cash from a refinancing); funds that the Members elect to reinvest on behalf of the Company; and reserves deemed reasonably sufficient by the Members, for (i) the working capital needs of the Company, (ii) the payment of liabilities incurred (including any loans made by any Members) or arising in the reasonably foreseeable future in connection with the operations of the Company, and (iii) capital expenditures or contributions incurred or arising in the reasonably foreseeable future.

"Nonrecourse Deductions" has the meaning set forth in Regulations § 1.704-2(b)(1).

"Nonrecourse Liability" has the meaning set forth in Regulations § 1.704-2(b)(3).

"Percentage Interest" means, with respect to any Member as of any date, the ratio (expressed as a percentage) of the number of Units held by such Member on such date to the aggregate Units held by all persons on such date. The Percentage Interest of each Member immediately after the Effective Date is set forth in **Exhibit A**.

"Person" means any individual or any foreign or domestic partnership (whether general or limited), limited liability company, corporation, business trust, trust, estate, association, joint venture, government, governmental subdivision, agency or instrumentality or other entity.

"Profits" and "Losses" mean, for each Fiscal Year, an amount equal to the Company's taxable income or loss for such Fiscal Year, determined in accordance with Code § 703(a) (for this purpose, all items of income, gain, loss, or deduction required to be stated separately pursuant to Code § 703(a)(1) shall be included in taxable income or loss), with the following adjustments (without duplication):

- (i) Any income of the Company that is exempt from federal income tax and not otherwise taken into account in computing Profits or Losses pursuant to this definition of "Profits" and "Losses" shall be added to such taxable income or loss;
- (ii) Any expenditures of the Company described in Code § 705(a)(2)(B) or treated as Code § 705(a)(2)(B) expenditures pursuant to Regulations § 1.704-1 (b)(2)(iv)(i), and not otherwise taken into account in computing Profits or Losses pursuant to this definition of "Profits" and "Losses" shall be subtracted from such taxable income or loss;

- (iii) In the event the Gross Asset Value of any Company asset is adjusted pursuant to subparagraphs (ii) or (iii) of the definition of Gross Asset Value, the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the Gross Asset Value of the asset) or an item of loss (if the adjustment decreases the Gross Asset Value of the asset) from the disposition of such asset and shall be taken into account for purposes of computing Profits or Losses;
- (iv) Gain or loss resulting from any disposition of Property with respect to which gain or loss is recognized for federal income tax purposes shall be computed by reference to the Gross Asset Value of the Property disposed of, notwithstanding that the adjusted tax basis of such Property differs from its Gross Asset Value;
- (v) In lieu of the depreciation, amortization, and other cost recovery deductions taken into account in computing such taxable income or loss, there shall be taken into account Depreciation for such Fiscal Year, computed in accordance with the definition of Depreciation;
- (vi) To the extent an adjustment to the adjusted tax basis of any Company asset pursuant to Code § 734(b) is required pursuant to Regulations § 1.704-(b)(2)(iv)(m)(4) to be taken into account in determining Capital Accounts as a result of a distribution other than in liquidation of a Member's interest in the Company, the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis) from the disposition of such asset and shall be taken into account for purposes of computing Profits or Losses; and
- (vii) Notwithstanding any other provision of this definition, any items which are specially allocated pursuant to Section 3.3 or Section 3.4 shall not be taken into account in computing Profits or Losses.

The amounts of the items of Company income, gain, loss or deduction available to be specially allocated pursuant to Sections 3.3 and 3.4 shall be determined by applying rules analogous to those set forth in subparagraphs (i) through (vi) above.

"Property" means all real and personal property acquired by the Company, including both tangible and intangible property.

"Regulations" means the Income Tax Regulations, including Temporary Regulations, promulgated under the Code, as such regulations are amended from time to time.

"Transfer" means, as a noun, any voluntary or involuntary transfer, sale, gift, assignment, conveyance, mortgage, pledge or hypothecation or other disposition and, as a verb, voluntarily or involuntarily to transfer, sell, give, assign, convey, mortgage, pledge or hypothecate or otherwise dispose of.

"Units" or "Unit" means an ownership interest in the Company including any and all benefits to which the holder of such Units may be entitled as provided in this Agreement, together with all obligations of such Person to comply with the terms and provisions of this Agreement.

## ARTICLE II

### MEMBERS' CAPITAL CONTRIBUTIONS

**2.1 Initial Capital Contributions.** Simultaneously with the execution of this Agreement, each Member has made the initial Capital Contributions indicated on **Exhibit A**. Such Capital Contributions entitle such Member to the initial Capital Account, the number of Units and the Percentage Interest indicated on **Exhibit A**.

**2.2 Mandatory Additional Capital Contributions.**

(a) With approval of Members holding 66-2/3% or more of the Units, the Company may make one or more mandatory capital calls requiring additional Capital Contributions, by giving written notice (a "Capital Call Notice") to each Member setting forth the amount of the required additional Capital Contribution and setting forth the date (the "Due Date") by which the additional Capital Contribution must be made. The Due Date shall be a date not less than ten calendar days after the date on which the Capital Call Notice is sent. Any additional Capital Contributions shall be contributed by each Member in proportion to such Member's Percentage Interest. A Member who has transferred such Member's Units, but whose Assignee has not become a Member, shall remain obligated to make additional Capital Contributions with respect to such Units as required by this Section 2.2.

(b) For purposes of this Section, "Delinquent Member" means a Member who fails to make an additional Capital Contribution required of such Member by this Section 2.2 on or before the Due Date for such Capital Contribution. "Delinquent Contribution" means, with respect to any Delinquent Member, the amount of any required additional Capital Contribution under this Section 2.2 (together with interest thereon) that is not made by the Due Date and remains unpaid as of such time. "Delinquency Rate" means an interest rate of three percent (3%) above the prime rate as published in The Wall Street Journal on the Due Date or, if greater, the applicable federal rate under Code § 1274 for the Due Date. Interest shall accrue on any Delinquent Contribution at the Delinquency Rate (compounded annually) beginning on the day following the Due Date until such Delinquent Contribution (and all accrued interest) has been paid in full.

Each Member hereby agrees that any Delinquent Contribution (together with any interest thereon) with respect to which such Member is the Delinquent Member shall constitute such Member's full recourse, personal liability debt payable to the Company on demand. Such debt may be collected by the Company by any legal means. Each Member hereby waives any right that he may have to require a Company accounting as a condition precedent to any legal action to collect such debt. All other remedies granted to the Company with respect to a Delinquent Member either

by this Agreement or at law or in equity shall be cumulative, and not in substitution of, the Company's right to collect such debt.

(c) The Company shall be permitted to apply any amounts that would otherwise be payable to a Delinquent Member to reduce such Delinquent Member's Delinquent Contribution (and interest thereon).

(d) Each Member hereby grants to the Company a first priority security interest in such Member's Units in the Company, including, without limitation, any right to distributions with respect to such Units, for the purpose of securing the obligation to the Company of such Member to make additional Capital Contributions pursuant to this Section 2.2 and any Delinquent Contribution for which such Member hereafter becomes liable. Each Member represents to the Company that such Member has good and marketable title to such Member's Units in the Company and that such Units are free and clear of all liens, claims and encumbrances whatsoever, except for the security interest therein which is granted hereby. The Company shall have all of the rights and remedies of a secured party under the South Carolina Uniform Commercial Code. Each Member further agrees to execute and deliver to the Company such UCC financing statements and other documents and to take such further actions as may be appropriate in the opinion of counsel to the Company in order to perfect and maintain the first priority security interest granted hereby. The Company and any Member shall be entitled to bid or purchase all or any part of the Units being sold at any sale conducted pursuant to, or as permitted under, this security agreement and the UCC. Any sale pursuant to this provision shall not be subject to the requirements of Section 9.3. Any purchaser at such sale shall be an Assignee and shall not be a Member unless (1) such Assignee is admitted as a Member pursuant to the Agreement or (2) such purchaser is already a Member as of the date of the sale.

(e) At any time at which any Delinquent Contribution is outstanding with respect to a Delinquent Member, the Managers may invoke the following procedure under which the Members, excluding any Delinquent Member (the "Nondelinquent Members"), shall be permitted to make a loan ("Delinquency Loan") to the Company. Such procedure may be invoked by giving written notice (the "Delinquency Loan Notice") to all of the Nondelinquent Members, with a copy to the Delinquent Member. The Delinquency Loan Notice shall state the (1) the amount of the Delinquent Contribution on the date of such Delinquency Loan Notice; (2) the maximum amount that each Nondelinquent Member may loan to the Company as a Delinquency Loan; and (3) the date ("the Loan Date") by which each such Nondelinquent Member may elect to make a Delinquency Loan. The maximum Delinquency Loan that each such Nondelinquent Member shall be entitled to make on or before the Loan Date shall be an amount equal to that portion of the Delinquent Contribution that corresponds to the ratio that such Nondelinquent Member's Percentage Interest bears to the Percentage Interests of all Nondelinquent Members. A Nondelinquent Member may elect to make a Delinquency Loan to the Company by delivering to the Company cash or a check in an amount up to the maximum Delinquency Loan that such Member is permitted to make on or before the Loan Date. The Loan Date in no event shall be earlier than ten calendar days after the date of the Delinquency Loan Notice.

If the Nondelinquent Members do not elect to make Delinquency Loans aggregating the full amount of the Delinquent Contribution on or before the Loan Date, the Managers may, in their sole discretion, within ten (10) calendar days after such Loan Date, permit

any Nondelinquent Members, including one of themselves, to make Delinquency Loans in an amount up to the excess of such Delinquent Contribution over the aggregate amount of Delinquency Loans made on or before the Loan Date pursuant to the Delinquency Loan Notice.

Any Delinquency Loan shall bear interest at the Delinquency Rate. Such interest shall commence to accrue on the Loan Date with respect to which such Delinquency Loan was made. Prior to the second anniversary date of the Loan Date with respect to which such Delinquency Loan was made, the Company shall repay such Delinquency Loan promptly out of, but only out of, (1) payments received by the Company from the Delinquent Member in reduction of the Delinquent Contribution with respect to which such Delinquency Loan was made and (2) all amounts otherwise distributable hereunder to the Delinquent Member which are applied to reduce such Delinquent Contribution. All such payments shall be apportioned among the Members holding Delinquency Loans made under the same Delinquency Loan Notice in proportion to the relative amounts owing to each thereunder. All amounts owing under all Delinquency Loans that have not been fully paid prior to the second anniversary of their respective Loan Dates shall be paid out of all funds otherwise distributable to the Members under all provisions of this Agreement, at such times and in such amounts as such distributions would otherwise be made (and such payments shall not be applied to reduce the Delinquent Contribution).

**2.3 Voluntary Additional Capital Contributions.** A Member may also make additional voluntary Capital Contributions but only with the consent of Members, including himself, owning 66-2/3% of the Units. If the Company accepts an additional Capital Contribution from a Member, that contributing Member shall receive additional Units with respect to that contribution. The number of additional Units to be received in exchange for an additional Capital Contribution shall be determined as follows:

(a) The Net Asset Value shall be determined on the date immediately prior to that contribution;

(b) The Net Asset Value shall be divided by the number of Units outstanding immediately before the contribution (the resulting quotient being the Net Asset Value attributable to each Unit outstanding immediately prior to the contribution); and

(c) In exchange for that Additional Capital Contribution, the Member making the contribution shall receive that number of additional Units (including fractional Units) which equals the quotient derived by dividing the Gross Asset Value of that additional contribution, reduced by liabilities assumed by the Company in connection with that contribution and liabilities to which any such contributed property is subject, by the quotient derived under paragraph (b) of this subsection.

A similar calculation shall be made to determine the number of Units to be issued to a new Member who is admitted in accordance with Section 6.2.

## ARTICLE III

### ALLOCATIONS

**3.1 Profits.** After giving effect to the special allocations set forth in Section 3.3, Profits for any Fiscal Year shall be allocated to the Members in proportion to their Percentage Interests.

**3.2 Losses.** After giving effect to the special allocations set forth in Section 3.3 and subject to Section 3.4, Losses for any Fiscal Year shall be allocated to the Members in proportion to their Percentage Interests.

**3.3 Special Allocations.** The following special allocations shall be made in the following order:

(a) **Minimum Gain Chargeback.** Except as otherwise provided in Regulations § 1.704-2(f), notwithstanding any other provision of this Article III, if there is a net decrease in Company Minimum Gain during any Fiscal Year, each Member shall be specially allocated items of Company income and gain for such Fiscal Year (and, if necessary, subsequent Fiscal Years) in an amount equal to such Member's share of the net decrease in Company Minimum Gain, determined in accordance with Regulations § 1.704-2(g). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Member pursuant thereto. The items to be so allocated shall be determined in accordance with Regulations §§ 1.704-2(f)(6) and 1.704-2(j)(2). This Section 3.3(a) is intended to comply with the minimum gain chargeback requirement in Regulations § 1.704-2(f) and shall be interpreted consistently therewith.

(b) **Member Minimum Gain Chargeback.** Except as otherwise provided in Regulations § 1.704-2(i)(4), notwithstanding any other provision of this Article III, if there is a net decrease in Member Nonrecourse Debt Minimum Gain attributable to a Member Nonrecourse Debt during any Fiscal Year, each Member who has a share of the Member Nonrecourse Debt Minimum Gain attributable to such Member Nonrecourse Debt, determined in accordance with Regulations § 1.704-2(i)(5), shall be specially allocated items of Company income and gain for such Fiscal Year (and, if necessary, subsequent Fiscal Years) in an amount equal to such Member's share of the net decrease in Member Nonrecourse Debt, determined in accordance with Regulations § 1.704-2(i)(4). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Member pursuant thereto. The items to be so allocated shall be determined in accordance with Regulations §§ 1.704-2(i)(4) and 1.704-2(j)(2). This Section 3.3(b) is intended to comply with the minimum gain chargeback requirement in Regulations § 1.704-2(i)(4) and shall be interpreted consistently therewith.

(c) **Qualified Income Offset.** In the event any Member unexpectedly receives any adjustments, allocations, or distributions described in Regulations §§ 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5), or 1.704-1(b)(2)(ii)(d)(6), items of Company income and gain shall be specially allocated to such Member in an amount and manner sufficient to eliminate, to the extent required by the Regulations, the Adjusted Capital Account Deficit of the Member as quickly as possible, provided that an allocation pursuant to this Section 3.3(c) shall be made only if and to the

extent that the Member would have an Adjusted Capital Account Deficit after all other allocations provided for in this Article III have been tentatively made as if this Section 3.3(c) were not in the Agreement.

(d) **Gross Income Allocation.** In the event any Member has an adjusted Capital Account deficit at the end of the Fiscal Year, each such Member shall be specially allocated items of Company income and gain in the amount of such deficit as quickly as possible, provided that such Member would have an adjusted Capital Account deficit after all other allocations provided for in this Article III have been made as if Section 3.3(c) and this Section 3.3(d) were not in the Agreement.

(e) **Nonrecourse Deductions.** Nonrecourse Deductions for any Fiscal Year shall be specially allocated to the Members in proportion to their respective Percentage Interests.

(f) **Member Nonrecourse Deductions.** Any Member Nonrecourse Deductions for any Fiscal Year shall be specially allocated to the Member who bears the economic risk of loss with respect to the Member Nonrecourse Debt to which such Member Nonrecourse Deductions are attributable in accordance with Regulations § 1.704-2(i) (1).

(g) **Article 754 Adjustments.** To the extent an adjustment to the adjusted tax basis of any Company asset, pursuant to Code § 734(b) or Code § 743(b) is required, pursuant to Regulations § 1.704-1(b)(2)(iv)(m)(2) or 1.704-1(b)(2)(iv)(m)(4), to be taken into account in determining Capital Accounts as the result of a distribution to a Member in complete liquidation of such Member's Units in the Company, the amount of such adjustment to Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis) and such gain or loss shall be specially allocated to the Members in accordance with their interests in the Company in the event Regulations § 1.704-1(b)(2)(iv)(m)(2) applies or to the Member to whom such distribution was made in the event Regulations § 1.704-1(b)(2)(iv)(m)(4) applies.

**3.4 Loss Limitation.** Losses allocated pursuant to Section 3.2 shall not exceed the maximum amount of Losses that can be allocated without causing any Member to have an Adjusted Capital Account Deficit at the end of any Fiscal Year. If some but not all of the Members would have Adjusted Capital Account Deficits as a consequence of an allocation of Losses pursuant to Section 3.2, the limitation set forth in this Section 3.4 shall be applied on a Member by Member basis and Losses not allocable to any Member as a result of such limitation shall be allocated to the other Members in accordance with the positive balances in such Member's Capital Accounts so as to allocate the maximum permissible Losses to each Member under Regulations § 1.704-1(b)(2)(ii)(d).

**3.5 Other Allocation Rules.** If the Members' Percentage Interests vary during a Fiscal Year due to the issuance of additional Units pursuant to Section 2.2 or because of a Transfer of Units, then the Profits or Losses (and items thereof) and credits of the Company for that year shall be allocated in a manner that is consistent with Sections 3.1, 3.2 and 3.3 among the Members whose Percentage Interests changed during that year based upon the length of time during such year



that each Member held a particular Percentage Interest, as if the items were incurred or received (as the case may be) ratably throughout the entire Fiscal Year.

**3.6 Tax Allocations: Code § 704(c).** In accordance with Code § 704(c), income, gain, loss and deduction with respect to any Property contributed to the capital of the Company shall, solely for income tax purposes, be allocated among the Members so as to take account of any variation between the adjusted basis of such Property to the Company for federal income tax purposes and its initial Gross Asset Value. In the event the Gross Asset Value of any Company asset is adjusted pursuant to subparagraph (ii) of the definition of Gross Asset Value, subsequent allocations of income, gain, loss and deduction with respect to such asset shall take into account any variation between the adjusted basis of such asset for federal income tax purposes and its Gross Asset Value in the same manner as under Code § 704(c). Any elections or other decisions relating to such allocations shall be made by the Managers in any manner that reasonably reflects the purpose and the intention of this Agreement. Allocations pursuant to this Section 3.6 are solely for purposes of federal, state and local income taxes and shall not affect any Member's Capital Account, or share of Profits, Losses, or distributions pursuant to any provision of this Agreement.

## **ARTICLE IV**

### **DISTRIBUTIONS**

**4.1 Timing of Distributions.** Except as provided in Section 10.2, distributions of Net Cash Flow and other Property shall be made in accordance with the Members' Percentage Interests, determined as of the date of distribution in question, at such time or times and in such aggregate amounts as the Managers may determine.

**4.2 Amounts Withheld.** All amounts withheld pursuant to the Code or any provision of any state, local or foreign tax law with respect to any payment, distribution or allocation to the Members shall be treated as amounts paid or distributed, as the case may be, to the Members with respect to which such amount was withheld pursuant to this Section 4.2 for all purposes under this Agreement. The Company is authorized to withhold from payments and distributions, or with respect to allocations to the Members, and to pay over to any federal, state and local government or any foreign government, any amounts required to be so withheld pursuant to the Code or any provisions of any other federal, state or local law or any foreign law, and shall allocate any such amounts to the Members with respect to which such amount was withheld.

**4.3 Limitations on Distributions.**

(a) The Company shall make no distributions to any Member except (i) as provided in this Article IV and Article X, (ii) as required by the Act or (iii) as agreed to by all of the Members.

(b) The Company may not make a distribution to the extent that, after giving effect to the distribution, (i) the Company would not be able to pay its debts as they become due in the usual course of business or (ii) the liabilities of the Company would exceed the fair value of the

Company's assets. The Company may base a determination that a distribution is not prohibited upon financial statements prepared on the basis of accounting practices and principles that are reasonable in the circumstances or on a fair valuation or other method that is reasonable in the circumstances.

## **ARTICLE V**

### **MANAGEMENT**

**5.1 Management By Managers.** The Company shall be "manager managed" within the meaning of the Act.

**5.2 Managers.** Each initial Manager shall remain in office until the Manager's removal by the Members, the Manager's death, the Manager's resignation, or the Manager's inability to serve for any other reason.

At any time and from time to time, the Members may remove one or more of the Managers with or without cause and may appoint one or more Managers (whether or not a previous Manager has ceased serving and regardless of the total number of Managers).

Subject to the oversight of the Members, the Managers shall be responsible for the general overall supervision of the business and affairs of the Company and, in general, shall perform all duties as may be prescribed by the Members from time to time or as the Managers may deem desirable, but not contrary to any decision or direction of the Members.

Except as otherwise specified in this Agreement, the Managers shall make decisions by majority vote. Each Manager shall have one vote, regardless of the number of Units owned by each Manager.

The Managers may agree on procedures for the administration of their duties, including the execution of documents on behalf of the Company by one or more of the Managers and the delegation of other duties to one or more of the Managers. All persons may rely on action taken pursuant to any such agreement. Until such an agreement is made, any Manager, whether named herein or appointed later, may execute any document on behalf of the Company, and all persons may rely on such action, but (among the Managers themselves) this execution authority is not intended to supersede the above majority vote requirement for decisions by the Managers.

The Managers shall have all the powers necessary or desirable to carry out their duties and to conduct the business and affairs of the Company, except as specifically limited or reserved to the Members in this Agreement, including Section 5.3. Subject to those limitations, the Managers' powers shall include the following, which are intended as examples, and which should not be interpreted to limit the Managers' powers to those on this list:

(a) Subject to the limitation in Section 5.3, to acquire property, real, personal, tangible and intangible;

(b) Subject to the limitation in Section 5.3, to borrow money for the Company from banks, other lending institutions, and other Persons and to mortgage, encumber and grant security interests in the assets of the Company to secure payment of the borrowed sums;

(c) To purchase liability and other insurance to protect the Company and the Members;

(d) Subject to the limitations in Section 5.3, to hold, own, invest and reinvest, purchase and sell, any property, real, personal, tangible and intangible, in the name of the Company, including, but not limited to, deeds, mortgages, leasehold interests, general partnerships, limited partnerships, limited liability companies, common trust funds, mutual funds, stocks, options, warrants, rights, puts, calls, contracts, futures, bonds, debentures, securities (public and private), and other debt and equity interests of any kind or nature, and to actively trade, maintain and manage the same;

(e) To enter into, make, and perform contracts, agreements, and other undertakings binding on the Company that may be necessary, appropriate, or advisable in furtherance of the purposes of the Company and make all decisions and waivers thereunder;

(f) To employ accountants, legal counsel, managing agents, money managers, property managers, investment advisors and other advisors to perform services for the Company and to compensate them out of Company Property;

(g) To open and maintain bank and investment accounts and arrangements, draw checks, letters of credit, and other orders for payment of money and designate individuals with authority to sign or give instructions with respect to those accounts and arrangements;

(h) To pay debts and obligations of the Company to the extent that Company Property is available;

(i) Subject to the limitations in Section 5.3, to sell, purchase, lease, loan, borrow, rent, repair, partition, mortgage, pledge, encumber, develop, improve, subdivide, grant easements, settle boundaries, dedicate to the public or otherwise deal with any property, including Company Property;

(j) To collect sums due the Company and bring suit on the Company's behalf or defend the Company in any action, and compromise, settle, collect, and otherwise represent, prosecute and defend the legal rights and interests of the Company;

(k) To file on behalf of the Company a voluntary petition for bankruptcy, or bring an action on behalf of the Company for receivership, insolvency or other similar relief in any court of competent jurisdiction, and to defend, answer, respond and otherwise represent the Company in any such action or proceeding;

(l) To perform all other acts as may be necessary or appropriate to the conduct of the Company's business or to carry out the foregoing powers, and to execute, acknowledge, verify and delivery any or all instruments desirable to effectuate any of the foregoing; and

(m) To conduct the business and affairs of any limited liability company of which the Company is the sole member, and to have all the foregoing powers with respect to any such limited liability company, subject to the above limitations.

**5.3 Limitations on Powers of Managers.** The Managers shall have no authority or power to:

(a) Sell, mortgage or develop any real property of the Company without the consent of Members holding a majority of the Units;

(b) Purchase any real property without the consent of Members holding a majority of the Units;

(c) Borrow any money in excess of \$5,000 or make any capital expenditure in excess of \$5,000 without the consent of Members holding a majority of the Units;

(d) Do any act in contravention of this Operating Agreement;

(e) Do any act that would make it impossible to carry on the ordinary business of the Company;

(f) Possess Company property or assign the rights of the Company in specific Company property for other than a Company purpose;

(g) Amend this Agreement or the Articles, except in accordance with Article VIII;

(h) Dissolve the Company, except in accordance with Article X;

(i) Admit a new Member, except in accordance with Section 6.3 or 9.7;

(j) Merge the Company with another entity without the consent of Members holding two-thirds or more of the Units;

(k) Take any other action for which this Agreement requires specific authorization by the Members or others, except in compliance with that requirement.

In the case of any action for which consent of the Members is required, if Managers who vote in favor of such action hold the number or percentage of Units that must consent, then the necessary consent shall be deemed given.

**5.4 Liability of Managers.** The Managers shall perform their duties as Managers in good faith, in a manner they reasonably believe to be in the best interest of the Company, and with such care that an ordinarily prudent person in a like position would use under similar circumstances. A person who so performs his duties shall not have any liability by reason of being or having been a Manager of the Company.

## **5.5 Indemnification of the Managers and Members.**

(a) Unless otherwise provided in Section 5.5(b), the Company, its receiver or its trustee shall indemnify each Manager and any Member for all liabilities and expenses (including reasonable attorneys' fees) incurred by such Manager or Member in the ordinary course of the Business of the Company or for the preservation of the Company's Business or Property.

(b) Notwithstanding the provisions of Section 5.5(a), such Article shall be enforced only to the maximum extent permitted by South Carolina law and no Manager or Member shall be indemnified from any liability for the fraud, intentional misconduct, gross negligence or a knowing violation of the law that was material to the cause of action.

**5.6 Compensation of Managers.** Unless otherwise agreed by the Members, the Managers shall not receive compensation for serving as Managers of the Company. It is expressly understood and agreed that the Managers shall not be required to devote their entire time or attention to the business of the Company nor shall the Managers be restricted in any manner from participating in other businesses or activities.

**5.7 Right to Rely on Manager.** Any Person dealing with the Company may rely (without duty of further inquiry) upon a certificate or other writing signed by any Manager as to:

- (a) The identity of any Manager or any Member;
- (b) The existence or nonexistence of any fact or facts which constitute a condition precedent to acts by the Managers or which are in any other manner germane to the affairs of the Company;
- (c) The Persons who are authorized to execute and deliver any instrument or document of the Company; or
- (d) Any act or failure to act by the Company or any other matter whatsoever involving the Company or any Member.

## **ARTICLE VI**

### **MEMBERS**

#### **6.1 Voting by Members.**

(a) Except where this Agreement expressly calls for a different vote, all decisions of the Members shall be by a majority vote of the Members in terms of the number of outstanding Units. Each Member shall be entitled to a number of votes equal to the number of Units held by such Member. The provisions of Act § 33-44-404(c) shall not apply with respect to this Agreement or this Company.

(b) No Member in his capacity as a Member has the power to bind the Company. Only the Managers have the power, pursuant to this Agreement, to bind the Company.

(c) The Members may take action at a meeting of the Members. A majority (in terms of numbers of Units) of the Members shall constitute a quorum at any meeting of the Members. Members may participate in meetings through use of any means of communication by which all those participating may simultaneously hear each other (or otherwise communicate adequately and without undue delay or interruption) during the meeting. A Member participating in a meeting by any such means shall be deemed to be present in person at such meeting. Meetings of the Members may be called by any Member upon not less than 72 hours notice to the other Members. A Member may give another Member his proxy for voting purposes and for purposes of determining whether a quorum is present at any meeting.

(d) Notwithstanding the provisions of Section 6.1(c), the Members may take without a meeting any action that may be taken by the Members under this Agreement if such action is approved in writing by the Members holding the required number of Units and such writing is delivered to any Member who did not consent to such action as soon as practicable.

(e) Any instrument may be executed and delivered on behalf of the Company by the Manager and any such instrument so executed shall be valid, binding and enforceable against the Company in accordance with its terms. All persons may rely thereon and shall be exonerated from any and all liability if they deal with the Managers on the basis of documents approved and executed on behalf of the Company by the Managers.

**6.2 Admission of Members.** After the formation of this Company, a Person becomes a new Member:

(a) in the case of a Person acquiring an interest in the Company directly from the Company, upon compliance with the provisions of Section 6.3; and

(b) in the case of an assignee or transferee of Units, upon compliance with the provisions of Section 9.7.

**6.3 New Members.** Additional Persons may be admitted to the Company as Members upon the approval of either (i) all the Managers or (ii) Members holding at least 80% of the existing Units. Upon such admission, new Units shall be issued to each new Member in accordance with the provisions of Section 2.3 and on such other terms and conditions as the Managers may determine at the time of admission. The terms of admission or issuance must specify the percentage of Profits and Losses allocable to such new Member and the Capital Account applicable thereto and may provide for the creation of different classes or groups of Members having different rights, powers and duties (such creation of any new class or group being reflected in an amendment to this Agreement indicating the different rights, powers and duties). Any such admission is effective when the Person has executed and delivered to the Company a written document including the Person's notice address, his or her agreement to be bound by this Agreement and such other matters as the Managers may require.

**6.4 Events Causing Member's Dissociation.** A Member (the "Dissociated Member") shall be deemed to be dissociated from the Company upon the occurrence of any of the following events (an "Event of Dissociation"):

(a) A Transfer of Units that is not a Permitted Transfer, as defined in Section 9.2;

(b) The Member's expulsion by judicial determination in accordance with Act § 33-44-601(6);

(c) A Member's (i) becoming a debtor in bankruptcy, (ii) executing an assignment for the benefit of creditors, (iii) seeking, consenting to, or acquiescing in the appointment of a trustee, receiver, or liquidator of the Member or of all or substantially all of the Member's property, or (iv) failing, within ninety days after the appointment, to have vacated or stayed the appointment of a trustee, receiver, or liquidator of the Member or of all or substantially all of the Member's property obtained without the Member's consent or acquiescence, or failing within ninety days after the expiration of a stay to have the appointment vacated;

(d) The death of a Member;

(e) The appointment of a guardian or a general conservator for the Member or a judicial determination that the Member has otherwise become incapable of performing the Member's duties under the Agreement;

(f) Termination of the existence of a Member if the Member is not an individual, estate or trust;

(g) The withdrawal or resignation of that Member with the consent of the Members pursuant to Section 6.6;

(h) A material breach of this Agreement by the Member.

**6.5 Wrongful Event of Dissociation.** An Event of Dissociation set forth in paragraph (a), (b), (f) or (h) of Section 6.4 shall be deemed to be wrongful. The Company shall be entitled to recover from the Dissociated Member any damages caused by a wrongful Event of Dissociation.

**6.6 No Resignation or Withdrawal.** A Member may not resign or withdraw from the Company without the consent of the Members. Any action in violation of this Section 6.6 shall be null and void as against the Company and the other Members.

**6.7 No Dissolution.** The occurrence of an Event of Dissociation shall not cause the dissolution or the winding up of the Company.

**6.8 Purchase Option.** Upon the occurrence of an Event of Dissociation described in Section 6.4(a), (b), (c), (f) or (h), the Company shall have an option to purchase any or all of the Units of the Dissociated Member. If the purchase option is not exercised as to all of the Units of

the Dissociated Member, then the Dissociated Member (or the Assignee of the Dissociated Member, as the case may be) shall continue as an Assignee with respect to the Units not purchased.

If the Dissociated Member's Assignee is permitted to continue as an Assignee or as a substitute Member (upon satisfaction of the conditions set forth in Section 9.7), then the Assignee shall be liable for all of the Dissociated Member's obligations arising under this Agreement and the Act except as expressly provided otherwise in this Agreement.

**6.9 Price and Terms of Purchase.** The Company may exercise its purchase option by giving written notice of such exercise ("Exercise Notice") to the Dissociated Member (or his legal representative) within sixty days of receipt of written notice of the Event of Dissociation. If the purchase option is exercised, the price of the Dissociated Member's Units shall be an amount equal to their fair market value (valuing them as an interest in a going concern and with appropriate discounts for lack of marketability, lack of control, minority interest and other applicable factors) determined by (a) a written valuation made, and agreed to, by the Dissociated Member (or his legal representative) and the Company or (b) if they cannot agree on a valuation, an independent expert appraiser mutually acceptable to them. If they cannot agree on the selection of an independent expert appraiser within ten (10) days after the date on which the Exercise Notice was delivered, each of them shall within ten days after the expiration of such ten-day period and by written notice to the other party, select an independent expert appraiser to determine the value of the assets of the Company. If either party shall fail to appoint an appraiser within the period specified above, then the appraiser appointed by the other party shall be the sole appraiser. If only one appraiser has been selected, the value of the assets of the Company shall be the value determined by such appraiser. If two appraisers have been selected as provided above, those two appraisers shall select a third appraiser, and the value shall be the average of the values determined by the appraisers. The fees of the appraisers shall be divided equally between the two parties. The closing of the purchase shall occur within thirty days of the determination of the value of assets of the Company.

Unless the parties mutually agree otherwise, the purchase price shall be paid to the Dissociated Member (or his legal representative) in twenty (20) equal and consecutive quarterly installments of principal and interest beginning ninety (90) days after the determination of the purchase price has been made. The purchase price shall be evidenced by an unsecured promissory note made to the order of the Dissociated Member and bearing interest at the prime rate as published in The Wall Street Journal at the date of the sale or, if greater, the rate of interest applicable under Code Section 1274. The interest rate shall not vary or "float" during the term of the note, but shall be fixed. Payments may be prepaid, in whole or in part, at any time and from time to time, without penalty. The note shall provide that upon default of any payment of interest or principal, the note shall become due and payable immediately, at the option of the holder of the note.

**6.10 Statement of Dissociation.** A Dissociated Member or the Company may file a statement of dissociation in accordance with Act § 33-44-704.

**6.11 Member Compensation.** Without the unanimous approval of the Members, no Member shall receive any interest, salary or drawing with respect to such Member's Capital Contributions or such Member's Capital Account or for services rendered on behalf of the Company, or otherwise, in such Member's capacity as a Member.



**6.12 Member's Liability.** No Member shall be liable for the debts or any other obligations or liabilities of the Company, whether arising in contract, tort or otherwise. A Member shall be liable only to make such Member's Capital Contributions as set forth in Section 2.1 and Section 2.2 and shall not be required to restore a deficit balance in such Member's Capital Account or to lend any funds to the Company or, after such Member's Capital Contributions have been made, to make any Additional Capital Contributions (except as provided in Section 2.2), assessments or payments to the Company, provided that a Member may be required to repay distributions made to such Member as provided in Act § 33-44-407. No Member shall have any personal liability for the repayment of any Capital Contributions or Capital Account of any other Member.

**6.13 Partition.** While the Company remains in effect or is continued, each Member agrees and waives such Member's rights to have any Company Property partitioned, or to file a complaint or to institute any suit, action or proceeding at law or in equity to have any Company Property partitioned, and each Member, on behalf of such Member and such Member's heirs, successors and assigns, hereby waives any such right.

**6.14 Transactions Between a Member and the Company.** Upon obtaining the consent required of the Members in Section 6.1, any Member may lend money to the Company, act as surety for the Company and transact other business with the Company and has the same rights and obligations when transacting business with the Company as a Person who is not a Member.

## **ARTICLE VII**

### **ACCOUNTING, BOOKS, RECORDS, REPORTS, AND TAX MATTERS**

**7.1 Bank Accounts.** Company funds shall be deposited in the name of the Company in such bank accounts of the Company as may be designated by the Managers. The Managers shall make disbursement from those accounts solely for the Business or for distributions to the Members in accordance with the Agreement.

**7.2 Maintenance of Books.** The Managers shall maintain and keep at the principal office (or upon written notice to the Members, the designated office) of the Company complete and accurate books of account, in which shall be entered fully and accurately each and every transaction of the Company, and the records required to be maintained by the Company pursuant to the Act. Each Member shall at all times have full access to all records and information of the Company and the right to inspect and copy all such records and information either directly or through a person designated by such Member.

**7.3 Method of Accounting.** Unless otherwise approved by the Managers, the books of the Company shall be maintained on a cash basis.

**7.4 Financial Reporting.** The Managers shall send all Members an unaudited annual report within ninety (90) days after the end of each Fiscal Year.

**7.5 Section 754 Election.** The Managers may make on behalf of the Company the election permitted by Code § 754 with respect to adjustments to the basis of Company property.

**7.6 Tax Returns.** The Managers shall cause to be prepared and timely filed each year the federal, state and local tax returns of the Company and shall cause a K-1 to be sent to each Member within ninety days of the end of such Fiscal Year.

**7.7 IRS Proceeding.** Promptly upon receipt, the Managers shall give notice to the Members of the proposed audit or adjustments of any Company tax returns.

**7.8 Tax Matters Member.** Michael R. Shepard is designated as the "tax matters partner" for purposes of the Code.

## **ARTICLE VIII**

### **AMENDMENTS**

Amendments to this Agreement or to the Articles may be proposed by any Member. A proposed amendment shall be adopted and be effective as an amendment hereto if it receives the affirmative vote of Members owning 75% or more of the Units.

## **ARTICLE IX**

### **TRANSFERS OF UNITS**

**9.1 Restrictions on Transfers.** Except as otherwise permitted by this Agreement, no Member (or Assignee) shall Transfer any of such Member's Units.

**9.2 Permitted Transfers.** Subject to the conditions and restrictions set forth in Section 9.3, a Member may at any time Transfer any or all of such Member's Units

- (a) to any other Member,
- (b) to any purchaser in accordance with Section 9.4,
- (c) by lifetime gift to (i) any direct lineal descendant of an original member, or (ii) the spouse or widowed spouse of any person in (i) above (but not in connection with, or in anticipation of their divorce, legal separation or property settlement), or (iii) a trust which is primarily for the benefit of one or more persons in (i) and (ii) above,
- (d) upon such Member's death, subject to Sections 6.8 and 6.9, if applicable, to the personal representative(s) of such Member's estate and thereafter to one or more beneficiaries of that estate who are persons described in (c) above, or

(e) by a trust which is a Member to one or more beneficiaries of the trust who are persons described in (c) above.

Any such Transfer is referred to in this Agreement as a "Permitted Transfer."

After any Transfer the Company shall consider whether to make the election permitted by Code § 754, as provided in Section 7.5.

**9.3 Conditions to Permitted Transfers.** A Transfer shall not be treated as a Permitted Transfer under Section 9.2 unless and until the following conditions are satisfied (or waived in writing by the Managers):

(a) Except in the case of a Transfer involuntarily by operation of law, the transferor and transferee shall execute and deliver to the Company such documents and instruments of conveyance as may be appropriate in the opinion of counsel to the Company to effect such transfer. In the case of a Transfer of Units involuntarily by operation of law, the Transfer shall be confirmed by presentation to the Company of legal evidence of such Transfer, in form and substance satisfactory to counsel to the Company. In all cases, the Company shall be reimbursed by the transferor and/or transferee for all costs and expenses that the Company reasonably incurs in connection with such Transfer.

(b) The transferor and transferee shall furnish the Company with the transferee's taxpayer identification number, sufficient information to determine the transferee's initial tax basis in the Units Transferred, and any other information reasonably necessary to permit the Company to file all required federal and state tax returns and other legally required information statements or returns.

(c) Except in the case of a Transfer of Units involuntarily by operation of law, either (i) such Units shall be registered under any applicable federal and state securities laws or (ii) the transferor shall provide an opinion of counsel, which opinion and counsel shall be reasonably satisfactory to the Managers, to the effect that such Transfer is exempt from all applicable registration requirements and that such Transfer will not violate any applicable laws regulating the transfer of securities.

**9.4 Right of First Refusal.** In addition to the other limitations and restrictions set forth in this Article IX, except as permitted by Section 9.2, no Member shall Transfer all or any portion of such Member's Units (the "Offered Interest") unless such Member (the "Seller") first offers to sell the Offered Interest pursuant to the terms of this Section 9.4.

(a) **Limitation on Transfers.** No Transfer may be made under this Section 9.4 unless the Seller has received a bona fide written offer (the "Purchase Offer") from a Person (the "Purchaser") to purchase the Offered Interest for a purchase price (the "Offer Price") payable in United States dollars at closing or according to specified terms, with or without interest, which Purchase Offer shall be in writing, signed by the Purchaser and shall be irrevocable for a period ending no sooner than the business day following the end of the Offer Period (as hereinafter defined).

(b) **Offer Notice.** Prior to making any Transfer that is subject to the terms of this Section 9.4, the Seller shall give to the Company and each other Member written notice (the "Offer Notice") which shall include a copy of the Purchase Offer and an offer (the "Firm Offer") to sell the Offered Interest to the other Members (the "Offerees") for the Offer Price, payable according to the same terms as those contained in the Purchase Offer.

(c) **Offer.** The Firm Offer shall be irrevocable for a period (the "Offer Period") ending on the thirtieth day following the day of the Offer Notice.

(d) **Acceptance of Firm Offer.** At any time during the Offer Period, any Offeree may accept the Firm Offer by giving written notice of such acceptance to the Seller. If more than one Member accepts the Firm Offer, then such Members who do accept the Firm Offer shall be entitled to purchase the Offered Interest in proportion to their relative Percentage Interests.

(e) **Closing of Purchase.** In the event that the Firm Offer is accepted, the closing of the sale of the Offered Interest shall take place within thirty days after the Firm Offer is accepted or, if later, the date set forth in the Purchase Offer. The Seller and all accepting Offerees shall execute such documents as may be appropriate to effect the sale of the Offered Interest pursuant to the terms of the Firm Offer and this Article IX.

(f) **Sale if Firm Offer Rejected.** If the Firm Offer is not accepted in the manner hereinabove provided, the Seller may sell the Offered Interest to the Purchaser at any time within sixty days after the last day of the Offer Period, provided that such sale shall be made in terms no more favorable to the Purchaser than the terms contained in the Purchase Offer and provided further that such sale complies with other terms, conditions and restrictions of this Agreement. In the event that the Offered Interest is not sold in accordance with the terms of the preceding sentence, the Offered Interest shall again become subject to all of the conditions and restrictions of this Section 9.4.

**9.5 Prohibited Transfers.** Any purported Transfer of Units that is not a Permitted Transfer shall be null and void and of no force or effect whatever; provided that, if the Company is required to recognize a transfer that is not a Permitted Transfer, the transferee shall be treated as the transferee of a distributional interest within the meaning of the Act, shall be entitled only to the transferor's rights to allocations and distributions as provided by this Agreement with respect to the Transferred Units, which allocations and distributions may be applied to satisfy any debts, obligations or liabilities for damages that the transferor or transferee of such Units may have to the Company. In the case of a transfer or attempted transfer of Units that is not a Permitted Transfer, the parties engaging in such transfer shall be liable to indemnify the Company and the other Members from all costs, liability and damage that any of such indemnified Members may incur as a result of such transfer or attempted transfer and efforts to enforce the indemnity granted hereby.

**9.6 Rights of Unadmitted Assignees.** A Person who acquires Units but who is not admitted as a substituted Member pursuant to Section 9.7 (an "Assignee") shall be entitled only to allocations and distributions with respect to such Units in accordance with this Agreement and shall have no right to any information or accounting of the affairs of the Company, shall not be entitled to

inspect the books or records of the Company, and shall not have any of the rights of a Member under the Act or this Agreement.

**9.7 Admission of Substituted Members.** Subject to the other provisions of this Article IX, an Assignee of Units may be admitted to the Company as a substituted Member only upon satisfaction of the conditions set forth in this Section 9.7:

(a) Consent of either (i) all the Managers or (ii) Members holding at least 80% of the Units (ignoring the Units of the Assignee), which consent may be given or withheld in the sole discretion of the Managers and the Members;

(b) The Units with respect to which the Assignee is being admitted were acquired by means of a Permitted Transfer;

(c) The Assignee, by written instrument in form and substance reasonably satisfactory to the Managers, (i) adopts the terms and provisions of this Agreement and (ii) assumes the obligations of the transferor Member under this Agreement with respect to the Transferred Units;

(d) The Assignee pays the Company for all reasonable legal, filing and publication costs that the Company incurs in connection with the admission of the Assignee as a Member with respect to the Transferred Units.

A transferee who becomes a Member has, to the extent assigned, the rights and powers and is subject to the restrictions and liabilities of a Member under this Agreement and the Act. Unless otherwise provided by this Agreement, a transferee who becomes a Member also is liable for the obligations of the transferor to make Capital Contributions and for obligations under Act § 33-44-407 to return unlawful distributions, but is not obligated for liabilities that are unknown to this transferee at the time the transferee becomes a Member and that could not be ascertained from this Agreement. Whether or not a transferee of Units becomes a Member, the transferor is not released from the transferor's liability to the Company under this Agreement or the Act.

## **ARTICLE X**

### **DISSOLUTION AND WINDING UP**

**10.1 Dissolution Events.** The Company shall dissolve and shall commence winding up and liquidating upon the first to occur of any of the following (each a "Dissolution Event"):

(a) The determination of either (i) all the Managers or (ii) Members holding at least two-thirds of the Units to dissolve, wind up and liquidate the Company;

(b) The expiration of the term of the Company on December 31, 2060;

(c) The entry of a decree of judicial dissolution under Act § 33-44-801(b)(5) or administrative dissolution pursuant to Act §§ 33-44-809 and 33-44-810, unless the Company is reinstated pursuant to Act § 33-44-811.

**10.2 Winding Up.** Upon the occurrence of a Dissolution Event, the Company shall continue solely for the purposes of winding up its affairs in an orderly manner, liquidating its assets, and satisfying the claims of its creditors and Members, and no Member shall take any action that is inconsistent with, or not necessary to or appropriate for, the winding up of the Company's Business and affairs, provided that all covenants contained in this Agreement and obligations provided for in this Agreement shall continue to be fully binding upon the Members until such time as the Property has been distributed pursuant to this Section 10.2. The Liquidator shall be responsible for overseeing the winding up and dissolution of the Company, using the powers granted by Act § 33-44-803(c) and such other powers granted by this Agreement as may be appropriate for winding up the Company. The Liquidator shall notify known claimants pursuant to Act § 33-44-807 and shall publish the notice described in Act § 33-44-808. The Liquidator shall take full account of the Company's liabilities and Property and shall cause the Property or the proceeds from the sale thereof (as determined pursuant to Section 10.6), to the extent sufficient therefor, to be applied and distributed, to the maximum extent permitted by law, in the following order:

(a) First, to creditors (including Members who are creditors, to the extent otherwise permitted by law) in satisfaction of all of the Company's debts and other liabilities (whether by payment or the making of reasonable provision for payment thereof), other than liabilities for which reasonable provision for payment has been made and liabilities for distributions to Members under Act § 33-44-405(c);

(b) Second, to Members of the Company in satisfaction of liabilities for distributions under Act § 33-44-405(c); and

(c) The balance, if any, to the Members in accordance with the positive balances in their Capital Accounts, after giving effect to all contributions, distributions and allocations for all periods.

No Member shall receive compensation for any services performed pursuant to this Article X, unless such Member is appointed as the Liquidator. If any Member has a deficit balance in his Capital Account, the Member shall have no obligation to contribute capital to the Company with respect to such deficit.

**10.3 Rights of Members.** Except as otherwise provided in this Agreement, each Member shall look solely to the Property of the Company for the return of such Member's Capital Contribution and has no right or power to demand or receive Property other than cash from the Company. If the assets of the Company remaining after payment or discharge of the debts or liabilities of the Company are insufficient to return such Capital Contribution, the Members shall have no recourse against the Company or any other Member.

**10.4 Character of Liquidating Distributions.** All payments made in liquidation of the interest of a Member in the Company shall be made in exchange for the interest of such Member in

Property pursuant to Code § 736(b)(1) including the interest of such Member in Company goodwill.

**10.5 The Liquidator.** The "Liquidator" shall mean the Managers or one of them whom they so designate. The Company is authorized to pay a reasonable fee to the Liquidator for his/their services performed pursuant to this Article X and to reimburse the Liquidator for his/their reasonable costs and expenses incurred in performing those services.

**10.6 Form of Liquidating Distributions.** For purposes of making distributions required by Section 10.2, the Liquidator may determine whether to distribute all or any portion of the Property in-kind or to sell all or any portion of the Property and distribute the proceeds therefrom.

**10.7 Articles of Termination.** Upon completion of the winding up of the Company, the Liquidator shall file Articles of Termination with the Secretary of State.

## **ARTICLE XI**

### **MISCELLANEOUS**

**11.1 Notices.** Any notice, payment, demand, consent or communication required or permitted to be given by this Agreement shall be in writing and shall be deemed to have been sufficiently given or served for all purposes if delivered either personally, by facsimile, or by overnight mail or by regular mail, first class postage prepaid, addressed to the recipient's last known address.

Any Notice hereunder shall be deemed to be given on the date on which it was delivered, either personally, by facsimile, or by overnight mail, or three days after it was deposited in a regularly maintained receptacle for the deposit of United States mail addressed to the last known address of the recipient.

**11.2 Binding Effect.** Except as otherwise provided in this Agreement, every covenant, term, and provision of this Agreement shall be binding upon and inure to the benefit of the Members and their respective successors, transferees, heirs and assigns.


**11.3 Severability.** Except as otherwise provided in the succeeding sentence, every provision of this Agreement is intended to be severable, and, if any term or provision of this Agreement is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity or legality of the remainder of this Agreement. The preceding sentence of this Section shall be of no force or effect if the consequence of enforcing the remainder of this Agreement without such illegal or invalid term or provision would be to cause any Member to lose the material benefit of its economic bargain.

**11.4 Governing Law.** The laws of the State of South Carolina shall govern the validity of this Agreement, the construction of its terms, and the interpretation of the rights and duties arising hereunder.

**11.5 Partnership for Tax Purposes.** Each Member intends that the Company will be treated as a partnership for federal, state and local tax purposes, but that the Company shall not be deemed a partnership for any other purpose and no Member shall be deemed a partner or co-venturer of any other Member. This Agreement shall be construed in all respects so as to effect the intention stated in this Section 11.5.

**11.6 Arbitration.** Any dispute between any Member and the Company or another Member or Manager concerning the interpretation or enforcement of this Agreement shall be settled by binding arbitration pursuant to the South Carolina Uniform Arbitration Act or the Federal Arbitration Act, as applicable. Arbitration shall occur in Charleston, South Carolina. At least one arbitrator shall be a licensed attorney with at least ten (10) years of substantial business transactional experience. All arbitrators shall take an oath of neutrality. A party substantially prevailing in the arbitration shall also be entitled to recover such amount for its costs and attorney fees incurred in connection with the arbitration as may be determined by the arbitrators. Judgment upon the arbitration award may be entered in any court having jurisdiction. Nothing contained in this Section, however, shall prevent a party from seeking relief in a court having jurisdiction in those instances where injunctive relief may be appropriate. Any civil action seeking injunctive relief, challenging an arbitration proceeding or award or otherwise related to this Agreement shall be instituted and maintained in the federal or state courts for Charleston County, South Carolina and the parties hereby consent to the personal jurisdiction of said courts.

IN WITNESS WHEREOF, the parties have executed and entered into this Operating Agreement of the Company as of the day first above set forth.



Michael R. Shepard



Bettye Jean Shepard



**Exhibit A**

**Initial Capital Contributions And Interest In Company**

	<u>Contribution</u>	<u>Units of Ownership</u>	<u>Ownership Percentage</u>
Michael R. Shepard	\$100	100	50%
Bettye Jean Shepard	\$100	100	50%

EXHIBIT C

CLASS C - TAXI \_\_\_\_\_

CHARTER X

**PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA**

Columbia, South Carolina

Applicant GENESIS EXECUTIVE TRAVEL, LLC


For the transportation of passengers as follows:

Area to be served: STATE OF SOUTH CAROLINA

Number of passengers: 15

Fares : \$ 75.00/ HOUR 2 HOUR MINIMUM

\_\_\_\_\_  
\_\_\_\_\_

Date 11/07/07   
By

Manager  
Title

Rev.10/03

**PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA**

**DESCRIPTION OF EQUIPMENT**

YEAR	MODEL & MAKE	VIN #	WEIGHT EMPTY	CARRYING CAPACITY *
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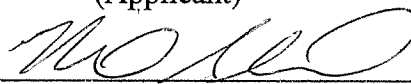
VEHICLE NOT PURCHASED YET

\* Seats if passenger carrier.

GENESIS EXECUTIVE TRAVEL, LLC.

(Applicant)

Date: 11/07/07

  
(Applicant's Representative)

Manager  
(Title)

## INSURANCE QUOTE

The following insurance quote is for:

GENESIS EXECUTIVE TRAVEL, LLC

(Name of Motor Carrier)

1627 MARSH HARBOR LANE MT. PLEASANT, SC 29464

(Address of Motor Carrier)

**Amount of Premium:**

Liability Insurance \_\_\_\_\_

The above quoted premium is for a term of \_\_\_\_\_ months.

**Minimum Limits - Intrastate Only:**

<b>1 - 7 passengers</b>	<b>-</b>	<b>25,000/50,000/25,000</b>
<b>8 – 15 passengers</b>	<b>-</b>	<b>25,000/100,000/25,000</b>

\_\_\_\_\_  
(Insurance Company Name)

\_\_\_\_\_  
(Home Office Address of Company)

is familiar with the Commission's Rules and Regulations relating to insurance requirements and the above quote meets the minimum insurance limits prescribed. The insurance company making this quote is authorized by the South Carolina Department of Insurance to do business in South Carolina.

\_\_\_\_\_  
Date

\_\_\_\_\_  
(Authorized Insurance Company Representative)

Rev 5/07

## EXHIBIT FWA

**Name:** GENESIS EXECUTIVE TRAVEL, LLC.

**Address:** 1627 MARSH HARBOR LANE MT. PLEASANT, SC 29464

**Telephone No.** 843-367-1730 **Fax No.** \_\_\_\_\_

**U.S.D.O.T. No.** N/A **ICC No.** N/A

1. Does Applicant have a Safety Rating from the U.S.D.O.T.?

Yes \_\_\_\_\_ No X Pending \_\_\_\_\_ (Submit when received)  
(If "yes", indicate rating and provide copy) Satisfactory \_\_\_\_\_  
Conditional \_\_\_\_\_  
Unsatisfactory \_\_\_\_\_

2. Have any of Applicant's drivers or vehicles been places "out of service" by Transport Police safety officers in the past twelve (12) months?

Yes \_\_\_\_\_ No X

3. Are there currently any outstanding judgment (s) against Applicant?

Yes \_\_\_\_\_ No X  
(If "yes", indicate nature of judgment(s).)

4. Is Applicant familiar with all statutes and regulations, including safety regulations, governing for-hire motor carrier operations in South Carolina and does applicant agree to operate in compliance with these statutes and regulations?

Yes X No \_\_\_\_\_

5. Is the Applicant aware of the Commission's insurance requirements and the insurance premium costs associated therewith?

Yes X No \_\_\_\_\_  
(The attached Insurance Quote form must be completed, listing current insurance premiums. At the discretion of the Commission, a copy of current insurance policies may be required. Do not provide copy of insurance policies unless requested.)



(Applicant's Signature)

Sworn to before me

At \_\_\_\_\_

This 07 day of NOV, 200 7



(Notary Public)

Commission Expires: 02-07-2015